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SUBJECT: A NEW STRATEGIC PARTNERSHIP: PM RUDD VISITS NEW  
DELHI

1.(U) SUMMARY: India and Australia elevated their relationship to a "strategic partnership" during Australian PM Rudd's November 12 visit to New Delhi. After a day full of high level meetings and events, the leaders released a Joint Statement that announced the new strategic partnership, and an India-Australia Joint Declaration on Security Cooperation that committed the two sides to strengthening cooperation on counter-terrorism, defense, disarmament and non-proliferation and maritime security. Australian diplomats say that while the hot topics of violence against Indian students abroad in Australia and Uranium sales were emphasized in some media outlets, they did not play heavily in the official meetings. END SUMMARY.

#### Meetings

2.(U) On his first visit to India since assuming office, Australian Prime Minister Kevin Rudd arrived November 12 in India from Afghanistan, where he had visited Australian troops. He spent one busy day in New Delhi before departing en route to the APEC meeting in Singapore. Rudd's planned stop in Mumbai for a high profile cricket match was sidelined by a cyclone, but his Delhi meeting schedule remained packed. Rudd breakfasted with Environment Minister Jairam Ramesh, gave a speech at a business luncheon hosted by the three major business organizations in New Delhi; spoke on "The Evolution of Asia" at the Indian Council on World Affairs; and met with The Energy and Resources Institute's (TERI) Dr. R K Pechauri, President Patil, Vice President Ansari, Sonia Gandhi, Trade Minister Anand Sharma, and Prime Minister Singh. Australian DCM Lachlan Strahan characterized the interaction between Rudd and Singh as engaging and pithy. Trade Minister Sharma, Minister of Education Kapil Sibal, NSA Narayanan, and Special Envoy for Climate Change Shyam Saran joined in the meeting. The issue of violence against Indian students studying in Australia has plagued the relationship this year and partly overshadowed Rudd's visit; some Indian media outlets focused on that and on Australia's denial of uranium sales to India because it is not an NPT signatory, but Strahan told us that neither issue was raised in the Rudd-Singh meeting.

#### Deliverables

3.(U) India and Australia elevated their relationship to a "strategic partnership" during the visit. DCM Strahan told us that it was a significant accomplishment, as "India gives these out sparingly." It required a lot of negotiation and represented the fulfillment of one of the Rudd administration's top priorities. Australia sees India as one of its top 5-6 partners in the world, and wants a "more consistent" relationship. Singh agreed, and called Australia a "key" partner during his meeting with Rudd, Strahan told us.

4.(U) The India-Australia Joint Declaration on Security Cooperation committed to strengthening bilateral cooperation on counter-terrorism, defense, disarmament and non-proliferation, and maritime security. It identified elements of cooperation including information exchange and policy coordination on regional affairs, bilateral cooperation in Asian multilateral frameworks, a continued Defense Dialogue, cooperation on combating terrorism and trans-national organized crime, disaster management, maritime and aviation security, and law enforcement. The declaration committed to working towards an action plan on security cooperation. It emphasized Australia's support for Indian membership in APEC and for an Indian permanent seat on the United Nations Security Council.

5.(U) DCM Strahan said the Declaration "encapsulates a natural increase in cooperation and is not directed at anybody" (NOTE: he was most likely referring to China). On the defense relationship, he said it is not yet about defense

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equipment, but about person-to-person interaction; the two countries cooperate on a wide variety of exercises and trainings. He noted, however, that India keeps sending the message that "Malabar," the annual, Indian-led, joint naval exercise with the U.S. is still a bilateral exercise, despite the fact that Japan participated last year and others want to open it up.

6.(U) The Joint Statement contained bland language agreeing to "expedite" a feasibility study on a bilateral Free Trade Agreement. There has been a joint study group on the FTA since August 2007. DCM Strahan thought PM Singh could move the FTA when he decided to, and expected it would be wrapped up soon. Other deliverables included a "young political leaders program" to reinvigorate parliamentary exchange. A new CEO forum will meet annually and pass thoughts and recommendations to the PMs and Trade Ministers, and a ministerial-level dialogue on education was established. An MoU on water management was inked as a framework for future cooperation, as Australia and India have similar federal systems for state water sharing. A bilateral science fund expansion will address energy, food security, health and environmental issues. PM Singh announced that he would visit Australia in the near future. PM Rudd announced the expansion of Australia's diplomatic presence in India by 14 new diplomats, but the Indian side only agreed formally to one of the new positions. (NOTE: full texts of the Joint Statement and other visit-related documents are available at <http://www.meaindia.nic.in>).

7.(U) COMMENT: Some in India, particularly in the media, have characterized the India-Australia relationship as a being in a downward spiral under the Rudd administration. Rudd's perceived closeness to China (he speaks fluent Mandarin), his government's decision not to sell uranium to India, and the spate of violence against Indian students have all hampered progress on strategic cooperation. Yet, Australia's intent focus on regional multilateral cooperation with India fits well with India's "Look East" policy and gives India an opportunity to leverage Australia's support to reach some of its targets for greater integration into South East Asia. Despite the issues in this relationship, a strategic partnership and security cooperation between India and Australia seem like the obvious next step. This is most

evident when considering how strategically close both countries are to others in the region, including Japan, with which each already has a strategic partnership. India has shown it is serious about strengthening its strategic cooperation with Australia. This new strategic partnership may be an opportunity for us to press India on increasing the scope of our multilateral regional security cooperation, for example by renewing discussion of Australia's participation in the annual Malabar exercises. END COMMENT.

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